

THE PRESIDENT'S INTELLIGENCE CHECKLIST

11 APR. 1962

~~TOP SECRET~~

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LATE ITEM

There appears to be at least some truth in rumors circulating in West Germany that Ulbricht is seriously ill. The East German press has responded by a statement that he "will recover." His aircraft flew to Moscow earlier this week. We have no direct information on his condition.

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1. Nuclear test developments

a. The Soviet Foreign Ministry has promised a formal reply today to the US-UK appeal. Moscow's hard propaganda reaction notwithstanding, we suspect that the Soviets will come forward with a proposal giving lip service to the principle of international verification of unexplained seismic events, coupled with a call for a test moratorium pending negotiations. Gromyko, on receiving Macmillan's letter to Khrushchev, reiterated the Soviet intention to resume testing if we do. 50X1

2. Argentina

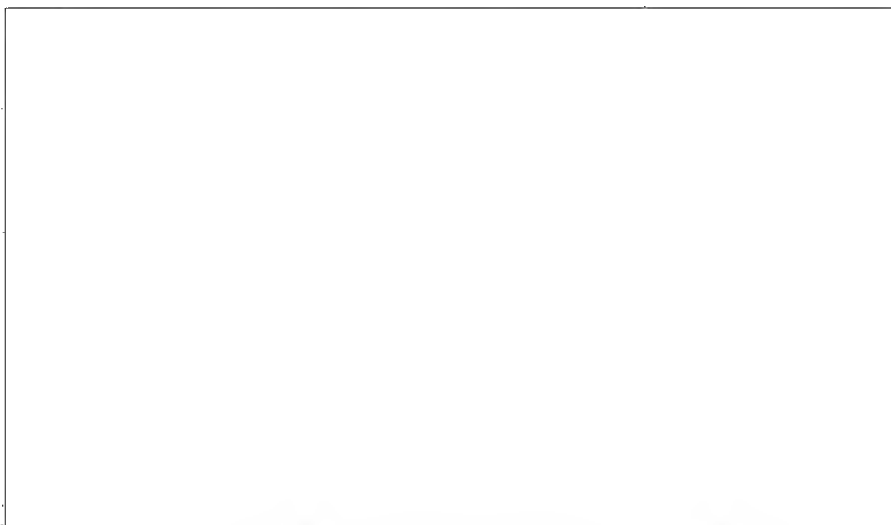
a. Guido has called a special session of congress to revise the presidential succession law to legitimize his position as well as to obtain greater flexibility in calling elections. There is a good chance, however, that the government will also press for legislation to deprive the Peronists of their electoral victory. Such action, particularly if Frondizi's supporters in congress refuse to go along, could touch off civil disturbances.

b. The new regime is planning an austere economic program featuring a drastic reduction of imports and increased taxation. Exports are to be encouraged by various fiscal methods, including a substantial devaluation of the peso which was announced yesterday. 50X6



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3. Communist China-Laos



b. Our Hong Kong Consulate General, [redacted] thinks that Peiping still sees 50X1 current trends in Laos evolving in favor of the Communists, and therefore prefers the present no war, no peace situation.

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4. Chinese Communist economic problems

a. [redacted] several factories, in widely 50X1 separated areas, have either curtailed production or shut down altogether. Included were plants producing ball-bearings, radios, chemicals and textiles.

b. Doubt about the communes continues to show. The Communists are reportedly conducting "experiments" to see whether production can be stepped up by turning land over to family groups rather than to communal teams.

5. USSR expanding over-seas air routes

Moscow's air route agreements with Morocco, Guinea and Mali pave the way for regular service to West Africa, and ultimately to Central and South America. A high-level delegation will visit Sudan later this month to negotiate an extension of Aeroflot's Cairo route to Khartoum and for the right to carry passengers on to the Congo. A draft agreement is now being worked on in Khartoum.

6. Congo

The Adoula-Tshombé talks drag on without noticeable progress toward an agreement.

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NOTES

A. Two small convoys dispatched from Berlin to West Germany on 9 and 10 April without prior notification to Soviet authorities completed their trips with only short delays at checkpoints. One was held up, however, until a Soviet escort vehicle arrived-- a new wrinkle.

B. The Moroccan Foreign Minister has denied that current deliveries of Soviet military equipment include aircraft, but admits to the receipt of tanks, trucks and artillery. Our observers think aircraft probably were delivered, but they could be consigned to Algeria rather than Morocco.

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E. Algerian leader Ben Bella has accepted an invitation to visit Cuba. No date has been set.

F. Turbulence continues among students in Ecuador.

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DOCUMENT OF INTEREST

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THE DIRECTOR OF CENTRAL INTELLIGENCE